



**COLORADO**

Department of Health Care  
Policy & Financing

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# Overview of Substances Use Disorder Services

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## Overview

On January 1, 2021, Health First Colorado (Colorado's Medicaid program) expanded its substance use disorder (SUD) benefit to include residential and inpatient treatment, and withdrawal management services. On July 1, 2024, Health First Colorado further expanded its SUD benefit to include coverage for ASAM level 2.5 Partial Hospitalization Program (PHP). These expansions have given Health First Colorado members access to the full SUD treatment continuum of care, as defined by the American Society of Addiction Medicine (ASAM).

## American Society of Addiction Medicine

Per the requirements of Colorado's 1115 SUD Waiver, the SUD continuum of care is structured in alignment with the American Society of Addiction Medicine (ASAM) Criteria. The ASAM Criteria is a nationally recognized, evidence-based system that provides guidelines for what services are available at each level of care. It creates a uniform approach to identifying the most appropriate level of care for a member based on their individual needs. The use of the ASAM Criteria has been shown to improve member outcomes.

## Provider Requirements and Enrollment

Providers seeking Medicaid reimbursement for SUD services will need to:

1. Be licensed with the Behavioral Health Administration (BHA) for the specific ASAM level(s) of care that will be rendered and billed. For information on licensing, visit the [BHA licensing, designation and approvals](#) webpage.
2. Be enrolled as a Health First Colorado provider. For information on enrollment, visit the [Provider Enrollment](#) webpage.
  - a. Add Specialty Provider Type(s) to current or new Medicaid provider enrollment, based on the ASAM level(s) of care indicated on the license.
    - i. Existing providers must submit a **Provider Maintenance Request** in the [Provider Web Portal](#). For information, visit the [Provider Maintenance Quick Guide](#).



- ii. New providers can add the Specialty Provider Type(s) as part of provider enrollment.
3. Contract with the [Regional Accountable Entities \(RAEs\)](#) for billing. Additionally, providers who offer inpatient and residential treatment services will also need to contract with the applicable Managed Service Organization (MSO) for room & board reimbursement.

Hospitals offering inpatient levels of care (ASAM 3.7 and 3.7WM), can provide SUD services under a 01 (acute care hospital) or 02 (psychiatric hospital) Provider Type through Health First Colorado. They do not need to enroll under an ASAM Specialty Type.

Hospitals offering residential levels of care (3.1, 3.3, and 3.5) must be licensed with the BHA and enrolled with Health First Colorado with the corresponding ASAM Specialty Type.

## Provider Reimbursement

The Regional Accountable Entities (RAEs) are responsible for administering SUD services as part of Health First Colorado's Capitated Behavioral Health Benefit. This includes contracting with providers, authorizing services when required, and reimbursing providers for eligible services.

To be eligible for Medicaid reimbursement, all SUD services must be:

- Provided by a Medicaid enrolled provider
- Determined medically necessary, and
- The ASAM Criteria must be used to determine the appropriate level of care

## Prior Authorization

Prior authorizations are required for all residential and inpatient SUD treatment services. The RAEs determine continued residential or inpatient stays based on a member's progress in treatment and continued medical necessity.

Prior authorization is not required for admission to withdrawal management services; however, the provider should ensure that medical necessity is met for the level of withdrawal management care being provided. All services are subject to continued stay reviews by the authorizing RAE.

## Co-Pays

There are no co-pays for any SUD service.



## Frequently Asked Questions

### Access to Care

**Q: Which providers offer SUD services?**

**A:** There are several ways to locate a provider:

- HCPF maintains a SUD Provider Network List which is updated periodically and made available on the HCPF's SUD webpage [Ensuring Full Continuum of SUD Benefits](#) under the section "SUD Residential Care in Colorado."
- [Colorado Crisis Services](#)
- The [OpiRescue](#) website (you can also download the free app) lists providers of Medication-Assisted Treatment (MAT). It also includes naloxone how-to guide and immediate connection to a specialist.
- The MSOs and RAEs' websites also list the providers that they contract with.

**Q: Who determines if Medicaid will pay for a member's treatment?**

**A:** The treatment provider conducts an assessment to determine the appropriate level of care for a member based on the member's treatment needs and the ASAM Criteria. The provider then submits a request for prior authorization to the RAE that manages that member's Medicaid services. The RAE reviews the recommendation for treatment and ensures that it is consistent with ASAM Criteria prior to approval of the service.

**Q: What happens if a RAE disagrees with the provider's recommendation for treatment?**

**A:** The RAEs offer a peer-to-peer review process with providers to review the prior authorization denials upon request. If the denial stands after the peer-to-peer review and the provider or member still disagrees with the determination, the member has the right to appeal the decision. This process may be different depending on the RAE. Information about each RAE's appeal process can be found here:

[Colorado Access](#)

[Colorado Community Health Alliance](#)

[Health Colorado](#)

[Northeast Health Partners](#)

[Rocky Mountain Health Plans](#)

**Q: Is there a limit on length of stay?**

**A:** No. Length of stay is determined by progress in treatment and continued medical necessity. Medical necessity is based on the ASAM Criteria.

**Q: Can members access treatment outside of their region?**

**A:** Yes. The RAEs are required to have a statewide network of treatment providers. Some specific services may be offered outside of a member's RAE region depending on availability.



**Q: Can members access care from providers outside of Colorado?**

**A:** Yes. The Department understands that a member may prefer to access care outside of Colorado for various reasons, including being closer geographically to an out-of-state provider than an in-state provider. Enrollment of out-of-state providers will be allowed by the Department as needed but will require review of the provider's license issued by the state in which they are located.

**Rates and Reimbursement****Q: How are rates determined?**

**A:** As with other services under the behavioral health capitation, individual providers contract directly with the RAEs.

**Q: Are services paid through the RAEs or Fee for Service (FFS)?**

**A:** Services are paid under the Capitated Behavioral Health Benefit administered by the RAEs. The one exception is when an individual accesses services prior to their assignment to a RAE, then those services are billed FFS.

**Q: What codes are used to bill for SUD services?**

**A:** Coding pages for SUD services are in the most recent edition of the [State Behavioral Health Services Billing Manual](#) which can be found on HCPF's webpage.

**Q: How is ASAM Level 4: Medically Managed Intensive Inpatient Services reimbursed?**

**A:** ASAM Level 4 is covered under physical health benefits and is billed FFS.

**Q: What residential services are eligible for Medicaid reimbursement?**

**A:** For inpatient, residential, and withdrawal management services, all core treatment components described in the ASAM Criteria for each level of care are covered by the RAEs' per diem rates. Examples of these core components include individual SUD therapy, group SUD therapy, SUD assessments, case management, treatment planning, urine analysis administration, and medical services at the higher levels of care. In unique circumstances, members may require additional services that are not covered in the negotiated per diem rate. Providers should contact the member's RAE for any services not included in the per diem rate.

Federal regulations prohibit Medicaid from paying for room and board in these levels of care. Therefore, SUD providers must contract with the MSO that serves their region to receive reimbursement for room and board. More information about the MSOs and which regions they serve can be found on the BHA's [Get Help](#) webpage. Community corrections providers work with the Division of Criminal Justice for room and board reimbursement.

**Q: Are Peer Recovery services reimbursable by Medicaid?**

**A:** Many but not all Peer Support Services are reimbursable by Medicaid. Visit our [Peer Services](#) webpage for more information.



## Program Requirements and Enrollment

**Q: Are Institutes for Mental Disease (IMDs) able to bill Medicaid for SUD services?**

**A:** Yes. As with all facilities billing Medicaid, the program will need to complete the steps listed above for provider requirements and enrollment.

**Q: Are inpatient and residential providers required to accept members on medication assisted treatment (MAT)?**

**A:** Yes, and all residential and inpatient programs are required to facilitate access to MAT for individuals if the program accepts payment from Medicaid.

## Other Questions

**Q: What is the Special Connections program?**

**A:** Special Connections is a program for pregnant and postpartum Medicaid members who have substance use disorders. Special Connections helps members have healthier pregnancies and healthier babies by providing case management, counseling, and health education during pregnancy and up to one year postpartum. This program is part of the Capitated Behavioral Health Benefit. For more information see our [Special Connections](#) webpage.

**Q: How are the State Opioid Response grants being used?**

**A:** These funds are being used in a variety of ways to enhance the SUD continuum of care, especially in areas with significant needs, and support recovery. Some of these activities include,

- Trainings for providers and RAEs
- Mobile Medication-Assisted Treatment (MAT) vans
- Naloxone kits
- Expanding provider capacity
- Long-term recovery resources
- Funding full continuum of treatment

To learn more about the State's response to the opioid crisis and grant-funded activities, follow this [link](#) to the BHA's website.

## Additional Resources

Below are links to additional resources regarding Health First Colorado's SUD treatment and withdrawal management services.

[Provider Manual for Residential and Inpatient SUD Services](#)

[Ensuring Full Continuum SUD Benefits](#)

**For more information contact**

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